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TAXATION — GENERAL LIMITATIONS ON THE TAXING POWER — FEDERAL AGENCY: TAXATION BY A STATE OF A DEBT OWED BY THE UNITED STATES. — The relator was assessed for a property tax on a debt due from the United States, an unpaid balance on fully performed war contracts. He contended that this debt is not taxable by the state. *Held*, that the debt is taxable. *People v. Cantor*, 187 N. Y. Supp. 467 (Sup. Ct.).

It may be urged that this obligation ought not to be distinguished, analytically, from other federal contractual obligations which are exempt, under the Constitution, from state taxation. Such taxation of federal credit in the form of government securities has been held unconstitutional as an undue interference with federal functions. *Weston v. The City Council of Charleston*, 2 Pet. (U. S.) 449; *Farmers' Bank v. Minnesota*, 232 U. S. 516. See 27 HARV. L. REV. 769. In the principal case credit is given the government, and the absence of certain paper evidence should be immaterial. The validity of such a tax must depend finally on a balance of the economic and political interests of state and federal governments and their constituencies. The imposition by a state of burdens on the credit of the United States will presumably increase the cost of such credit. Any gain to the state by such a measure should thus cause an equal loss to the United States. Federal taxes will be correspondingly increased. The net loss to the national community will be the expense of the duplicate collection involved. To permit such an imposition might, further, give the states a dangerous power to embarrass federal operations. *Cf. M'Culloch v. Maryland*, 4 Wheat. (U. S.) 316. Whether a given interference by state taxation with federal operations is sufficiently serious to warrant exemption is thus finally a question of degree. As *a priori* politics and political economy are uncertain, it is impossible to be dogmatic in urging that the tax in question is unconstitutional. *Cf. Fidelity & Deposit Co. v. Pennsylvania*, 240 U. S. 319; *Indian Oil Co. v. Oklahoma*, 240 U. S. 522; *In re Skelton L. & Z. Co.'s Gross Production Tax*, 197 Pac. 495 (Okla.).

TAXATION — PARTICULAR FORMS OF TAXATION — STATE INHERITANCE TAX ON STOCK OF A NON-RESIDENT IN A FOREIGN CORPORATION OWNING REALTY WITHIN THE STATE. — A New York statute taxes the transfer by will or intestate law of a non-resident decedent's shares in a foreign corporation owning realty in New York, in the proportion which that realty bears to the entire property of the corporation (1909 NEW YORK LAWS, c. 62, § 220 (2); CONSOL. LAWS, c. 60, art. 10.) A non-resident testator left in New York a stock certificate representing shares in a foreign corporation owning realty in New York. His executor resists a tax on the transfer of these shares on the ground that the statute is unconstitutional. *Held*, that the statute is constitutional. *Matter of McMullen*, 114 Misc. 505, 187 N. Y. Supp. 248.

Jurisdiction to impose an inheritance tax depends upon control over some essential element in the transfer of the decedent's property. *Welch v. Treasurer & Receiver General*, 223 Mass. 87, 111 N. E. 774; *Matter of Hull*, 111 App. Div. 322, 97 N. Y. Supp. 701. This principle, already stretched in cases where a decedent's extra-state personalty is taxed at his domicile, must be abandoned altogether to reach the result of the principal case, since the decedent and the corporation were both beyond the control of New York. The presence of corporate realty within the state should be immaterial, for the shareholder not only does not own it, but may in a given instance have no rights whatever against it. *Parker v. Bethel Hotel Co.*, 96 Tenn. 252, 34 S. W. 209; *Greenleaf v. Board of Review*, 184 Ill. 226, 56 N. E. 295. For this reason, the fact of such presence has justly and uniformly been held an insufficient basis for taxing transfers of foreign-owned shares in foreign corporations. *Welch v. Treasurer & Receiver General*, *supra*; *Oakman v. Small*, 282 Ill. 360, 118 N. E. 775; *State v. Dunlap*, 28 Idaho, 784, 156 Pac. 1141. See Joseph H. Beale, "Jurisdiction to